

**MINUTES**  
**ALABAMA REAL ESTATE APPRAISERS BOARD**  
**RSA UNION BUILDING**  
**100 NORTH UNION STREET**  
**SUITE 370**  
**MONTGOMERY, ALABAMA**  
**June 20-21, 2002**

**THURSDAY, June 20, 2002**

**MEMBERS PRESENT:**

Mr. Steve Martin  
Mr. Wilder H. Cheney  
Mrs. Jane Mardis  
Mr. Mandell Tillman  
Mr. Ronald Parker

**MEMBERS ABSENT:**

Mr. R.L. Farmer, Jr.  
Mr. Otis Stewart, Jr.  
Mr. Chester Mallory  
Mr. Gary Carter

**OTHERS PRESENT:**

Mr. J.W. Holland, Jr.  
Mrs. Lisa Brooks  
Ms. Neva Conway

- 1.0           With quorum present Mr. Parker, Chairman called the meeting to order at 2:20 p.m. The meeting was held at the RSA Union Building, 100 N. Union Street, 3<sup>rd</sup>. Floor Conference Room, Montgomery, Alabama.
- 1.1           The meeting was opened with prayer by Mr. Martin and then the Pledge of Allegiance.
- 2.0           Members present were Mr. Steve Martin, Mr. Wilder H. Cheney, Mr. Ronald Parker, Mrs. Jane Mardis, and Mr. Mandell Tillman. Members absent were Mr. R.L. Farmer, Jr., Mr. Chester Mallory, Mr. Gary Carter and Mr. Otis Stewart, Jr.
- 3.0           On motion by Mrs. Mardis and second by Mr. Martin the regular minutes for May 17, 2002 were approved as written. All in favor, motion carried.
- 3.2           Ms. Conway informed the Board that she has now received a ruling from the Clarke County Court in the Knights favor and she would file an appeal in all aspects of that case.

Ms. Conway informed the Board that a disciplinary Default Hearing has been scheduled for earlier today but due to a lack of quorum she would have to reschedule for a later date.

Ms. Conway informed the Board that she had scheduled a Disciplinary Hearing on the Mary Jane Watson case for this meeting but the Administrative Law Judge never issued the order. This case will be rescheduled for a later date.

Ms. Conway stated to the Board that a Disciplinary Hearing on Mr. Ed Meadows would be held tomorrow with Mr. Gregory Albritton as his attorney.

Ms. Conway informed the Board that she was working on settling the case on Mr. William Brasher who is scheduled for a Disciplinary Hearing tomorrow.

Ms. Conway also informed the Board that Mr. Christopher Smith is appealing the denial of his reconsideration hearing. Mr. Gregory Albritton is also representing Mr. Smith.

- 4.0 Ms. Conway informed the Board there was no Legislative report at this time.
- 5.0 On motion by Mr. Parker and second by Mrs. Mardis the following applications were voted on as listed. All in favor, motion carried.
- 5.1 **Trainee Real Property Appraiser applications approved:** Gloria Baldwin, Daniel Crutcher, Eric Dauphin, Thomas Fleming, Erik C. Hallmark, Julia Kay, Michael Lackey, Michael Manley, Woni Nelson, James Smith, Stephanie Tinsley.
- 5.2 **State Registered Real Property Appraiser applications approved:** Kathy Jo Dethrage, Larry W. Humber.
- 5.3 **Licensed Real Property Appraiser application approved:** Elvin Cook.  
**Application deferred:** Barton E. Prince.
- 5.4 **Certified Residential Real Property Appraiser applications approved:** Jean C. Perry, John P. Springer, Wardlaw M. Watson, Jr., Keith B. Webb.  
**Applications deferred:** Richard L. Bailey, Janet E. Coffey, Frank E. Lindstrom, III, Robert M. Pelman, William R. Shamblin, Joseph Steele, Howard D. Thomas.
- 5.5 **Certified General Real Property Appraiser applications approved:** Donald Pardue (Recip.)(GA), Charles Rex, III (Recip.)(MA).
- The Appraisal Experience Committee met at 10:00 a.m. until 12:00 noon to discuss various experience issues.
- 6.0 Mr. Holland gave the financial report informing the Board that we were 67% into the fiscal year and 66% into budget expenditures. Mr. Holland stated at this time there were no negative trends, which could not be reconciled. On motion by Mrs. Mardis and second by Mr. Cheney the Board voted to accept the financial report as read. All in favor, motion carried.

- 6.1 On motion by Mr. Tillman and second by Mr. Parker the following education courses and instructor recommendations were approved or denied as indicated:

**INTERNATIONAL RIGHT OF WAY ASSOCIATION**

(C.E.) Course 600 – Environmental Awareness – 8 Hours  
(Approved Instructor: Louis Montgomery)

**PRECEDA EDUCATION & TRAINING**

(C.E.) Boundary Law, Easements & Right-of-Ways – 12 Hours  
(Approved Instructor: Walter G. Robillard, Atty.)

- 6.2 The Board reviewed the following disciplinary report, which was included in their books. On May 16, 2002, Herbert Bradford (R00038), a Certified Residential Real Property Appraiser signed a Consent Settlement Order in connection with the appraisal of residential property. Terms of the consent settlement order include a public reprimand, a \$1,225 administrative fine, and successful completion of a Board approved 15-hour USPAP course with exam. The discrepancies identified in the appraisal report are detailed as follows: Licensee failed to provide descriptive narrative in support of the significant difference between the actual age and estimated effective age of the subject property. Licensee failed to provide a correct summary statement explaining the methodology used to estimate physical depreciation for the subject property in the Cost Approach. Licensee failed to disclose the existence of a railroad track located parallel to the rear property line of the subject property. Licensee failed to address the potential negative effect upon value in the Cost Approach and Sales Comparison Approach attributable to the external influence of the railroad track. Licensee failed to accurately analyze and report the sales history of the subject property. Licensee failed to accurately analyze the current Agreement of Sale and to disclose the seller paid closing cost and the second mortgage obtained by the seller as sales concessions. Licensee failed to retain copies of all appraisal reports on the subject property as submitted to each Client. Licensee failed to perform the subject appraisal assignment without impartiality, objectivity, and independence, and without accommodation of personal interest. Licensee owns the Realty Company that was selling the subject property. Supervising Appraiser failed to provide proper supervision for the Trainee Appraiser in the development and communication of the subject appraisal report. The following USPAP Standards (2000 Ed.) were violated: 1-1(b), 1-3(a), 1-4(a), 1-4(b)(i), 1-4(b)(iii), 1-5(a), 1-5(b)(i), 2-1(b), 2-2(b)(ix), Ethics Rule-Record Keeping, Ethics Rule-Conduct, 2-3, and 2-5.

On May 31, 2002 a Letter of Warning was issued to a Certified Residential Real Property Appraiser in connection with the appraisal of a single-family residential property in which he signed as the supervisory appraiser. The Letter of Warning is an informal disciplinary action and will be a permanent document maintained in the investigative file. This disciplinary action will be considered in any future discipline proceedings. The USPAP violations identified in the appraisal report are detailed as follows: Licensee failed to adjust for the superior location of the comparable sales. Licensee failed to provide an accurate statement of the methodology used to calculate depreciation. Licensee stated he employed the

Age-Life Method to calculate depreciation, but described methodology consistent with the Comparative-Unit Method. In the Cost Approach, Licensee calculated the entire basement area of 1269 square feet on one line, then broke out 689 square feet of the basement area and calculated the square footage on the "Garage/Carport" line. In the Sales Comparison Approach, the Licensee listed 1269 sf on the unfinished basement area line, but used 729 sf in the calculations. Licensee stated previously that the unfinished area was 689 sf. Licensee failed to adjust for a half bath in the basement area. Licensee failed to provide a basement area sketch that could have addressed discrepancies in the basement square footage calculations. Licensee failed to adjust for the difference in quality between brick vs. frame construction in the Sales Comparison Approach. A neighborhood sale on 8/30/00 was not used as a comparable sale and was not reflected in the work file. In response to an inquiry by the Board the respondent offered an unclear rationale unsupported by documentation as to why the sale was not used. The following USPAP Standards (2000 Ed.) were violated: 1-1(a), 1-1(c), 1-2(e)(i), and 1-4(a).

On May 31, 2002, a Letter of Warning was issued to a Trainee Real Property Appraiser in connection with the appraisal of a single-family residential property in which he signed as the primary appraiser. The Letter of Warning is an informal disciplinary action and will be a permanent document maintained in the investigative file. This disciplinary action will be considered in any future discipline proceedings. The USPAP violations identified in the appraisal report are detailed as follows: Licensee failed to adjust for the superior location of the comparable sales. Licensee failed to provide an accurate statement of the methodology used to calculate depreciation. Licensee stated he employed the Age-Life Method to calculate depreciation, but described methodology consistent with the Comparative-Unit Method. In the Cost Approach, Licensee calculated the entire basement area of 1269 square feet on one line, then broke out 689 square feet of the basement area and calculated that square footage on the "Garage/Carport" line. In the Sales Comparison Approach, the Licensee listed 1269 sf on the unfinished basement area line, but used 729 sf in the calculations. Licensee stated previously that the unfinished area was 689 sf. Licensee failed to adjust for a half bath in the basement area. Licensee failed to provide a basement area sketch that could have addressed discrepancies in the basement square footage calculations. Licensee failed to adjust for the difference in quality between brick vs. frame construction in the Sales Comparison Approach. A neighborhood sale on 8/30/00 was not used as a comparable sale and was not reflected in the work file. In response to an inquiry by the Board the respondent offered an unclear rationale unsupported by documentation as to why the sale was not used. The following USPAP Standards (2000 Ed.) were violated: 1-1(a), 1-1(c), 1-2(e)(i), and 1-4(a).

On May 31, 2002, a Letter of Warning was issued to a Certified Residential Real Property Appraiser in connection with the appraisal of a single family residence in which he signed as a the supervisory appraiser. The Letter of Warning is an informal disciplinary action and will be a permanent document maintained in the investigative file. This disciplinary action will be considered in any future discipline proceedings. The USPAP violations identified in the appraisal report are detailed as follows: Licensee failed to state the scope of work performed to complete the assignment. Licensee performed the appraisal "subject" to repairs

being completed, but did not indicate the nature of the repairs. Appraisal report reflected inconsistent statements as to whether or not the supervisory appraiser inspected the subject property. Investigation disclosed he had not. Licensee failed to analyze in the Sales Comparison Approach the effects, if any, of external depreciation cited in the Cost Approach. The following USPAP Standards (1999 Ed.) were violated: 1-1(a), 2-1(a), 2-1(b), and 2-2(b)(vii).

On May 31, 2002, a Letter of Warning was issued to a Trainee Real Property Appraiser in connection with the appraisal of a single family residence in which he signed as a the primary appraiser. The Letter of Warning is an informal disciplinary action and will be a permanent document maintained in the investigative file. This disciplinary action will be considered in any future discipline proceedings. The USPAP violations identified in the appraisal report are detailed as follows: Licensee failed to state the scope of work performed to complete the assignment. Licensee performed the appraisal "subject to" repairs being completed, but did not indicate the nature of the repairs. Appraisal report reflected inconsistent statements as to whether or not the supervisory appraiser inspected the subject property. Investigation disclosed he had not. Licensee failed to analyze in the Sales Comparison Approach the effects, if any, of external depreciation cited in the Cost Approach. The following USPAP Standards (1999 Ed.) were violated: 1-1(a), 2-1(a), 2-1(b), and 2-2(b)(vii).

On May 31, 2002, a Letter of Warning was issued to a Certified General Real Property Appraiser in connection with the appraisal of a single family residence in which he signed as a the primary appraiser. The Letter of Warning is an informal disciplinary action and will be a permanent document maintained in the investigative file. This disciplinary action will be considered in any future discipline proceedings. The USPAP violations identified in the appraisal report are detailed as follows: Licensee states the area is only 25% built up. Seventy five percent is more accurate. Licensee states age of subject property as 23 years in one place and 14 years in another. Licensee states that subject has 2.5 baths. Complainant states that the house has 3.5 baths. Licensee listed his license expiration date as 09/30/01. Appraisal was completed as of November 27, 2001. The work file sketch reflects an enclosed "Florida Room" with dimensions of 15' x 25'. The formal sketch with the appraisal reflects the area as open with dimensions of 23' x 20.5' x 9'. Licensee failed to include the required Alabama Board certification statement in the appraisal report. The following USPAP Standards (2001 Ed.) were violated: 1-1(a); 1-1(c), 2-1(a), Code of Alabama, 1975, §34-27A-3(b-2).

Mr. Holland discussed with the Board the investigative status charts where we are averaging for the year a net reduction of six cases per month.

The Discipline Committee met at 10:00 a.m. until 12:00 noon to discuss various disciplinary issues and will make a report to the Board at the next Board meeting in July.

#### 6.2.1

The Board reviewed Probable Cause Reports AB-01-34 and AB-01-35 (Companion Cases). On motion by Mr. Cheney and second by Mr. Tillman the Board voted to probable cause did exist and to follow the investigators

recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-01-60. On motion by Mrs. Mardis and second by Mr. Cheney the Board voted that probable cause did exist and to follow the investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-01-64. On motion by Mr. Parker and second by Mr. Martin the Board voted that probable cause did exist and to follow the investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-01-67 and AB-01-68 (Companion Case). On motion by Mrs. Mardis and second by Mr. Cheney the Board voted that probable cause did exist and to follow the investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-01-69. On motion by Mr. Martin and second by Mr. Cheney the Board voted that probable cause did exist and to follow the investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-01-93. On motion by Mrs. Mardis and second by Mr. Tillman the Board voted that probable cause did exist and to follow the investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-01. On motion by Mr. Tillman and second by Mrs. Mardis the Board voted that probable cause did exist and to follow the investigators recommendations to issue a Summons and Complaint for a hearing before the Board. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-23 and AB-02-24 (Companion Case). On motion by Mr. Tillman and second by Mrs. Mardis the Board voted that probable cause did exist and to follow the investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-31. On motion by Mr. Martin and second Mr. Cheney the Board voted that probable cause did exist. All in favor, motion carried. On motion by Mr. Martin and second by Mr. Tillman the Board voted to proceed with issuing a Letter of Warning. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-35. On motion by Mrs. Mardis and second by Mr. Tillman the Board voted that probable cause did exist and to follow the investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-37. On motion by Mrs. Mardis and second by Mr. Tillman the Board voted that probable cause did exist and to follow the investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-36. On motion by Mrs. Mardis and second by Mr. Cheney the Board voted that probable cause did exist and to follow the investigators recommendations to proceed with formal investigation. All in favor, motion carried.

6.2.2 No anonymous complaints reported at this time.

6.2.3 The Board reviewed Consent Settlement Order AB-00-43 and AB-00-44 (Companion Case). On motion by Mrs. Mardis and second by Mr. Cheney the Board voted to approve the Consent Settlement Order as written. All in favor, motion carried.

The Board reviewed Settlement actions on AB-99-26, AB-99-37, AB-00-78 and AB-02-11. On motion by Mr. Cheney and second by Mr. Tillman the Board approved Letter of Warning. All in favor, motion carried.

6.3 No reciprocal agreements to report since last meeting.

6.4 The following reciprocal licenses were issued since last Board meeting: Donald Pardue (G)(GA), Charles Rex, III (G)(MA)

7.0 The temporary permit report was provided to the Board for their information. A new column added reflects the date of receipt to compare with date of issue.

8.0 Mr. Holland included in the Board books a draft copy of the upcoming News Bulletin.

Mr. Holland included in the Board books a copy of the ASB/AQB Exposure Drafts for their review and input. On motion by Mr. Cheney and second by Mrs. Mardis the Board voted to respond in writing opposing the college degree requirement for appraisers. All in favor, motion carried.

Mr. Holland informed the Board that Jennifer had her second surgery, is doing very well and is planning to return to work next week.

9.0 Meeting adjourned at 4:26 p.m.

## **FRIDAY, June 21, 2002**

### **MEMBERS PRESENT:**

Mr. Wilder H. Cheney  
Mrs. Jane Mardis  
Mr. Mandell Tillman  
Mr. Ronald Parker  
Mr. Gary Carter

**MEMBERS ABSENT:**

Mr. R.L. Farmer, Jr.  
Mr. Otis Stewart, Jr.  
Mr. Chester Mallory  
Mr. Steve Martin

**OTHERS PRESENT:**

Mr. J.W. Holland, Jr.  
Mrs. Lisa Brooks  
Ms. Neva Conway

- 1.0 With quorum present Mr. Parker, Chairman called the meeting to order at 11:28 a.m. The meeting was held at the RSA Union Building, 100 N. Union Street, 3<sup>rd</sup>. Floor Conference Room, Montgomery, Alabama.
- 2.0 Members present were Mr. Gary Carter, Mr. Wilder H. Cheney, Mr. Ronald Parker, Mrs. Jane Mardis, and Mr. Mandell Tillman. Members absent were Mr. R.L. Farmer, Jr., Mr. Chester Mallory, Mr. Steve Martin and Mr. Otis Stewart, Jr.
- 3.0 Ms. Conway informed the Board that the disciplinary hearings that were scheduled today on Mr. William Brasher and Mr. Ed Meadows had been settled.
- The next meeting is scheduled for July 18-19, 2002.
- 9.0 Meeting adjourned at 12:38 p.m.

Sincerely,

Lisa Brooks  
Executive Secretary

Lb

**APPROVED:** \_\_\_\_\_  
**Ronald Parker, Chairman**